



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

KFH Treasury



Report produced on
Mon, 04-Nov-2024

Forex Market

JAPANESE YEN



CLOSE
152.98

1M %chg
6.56%

3M %chg
2.42%

USD/JPY probes 200 DMA in key test of bullish convictions
04 Nov 2024 07:11:22 AM

- * USD/JPY drops as low as 151.62 from intraday high 152.95
- * Break of 200 DMA at 151.57 floor may cue momentum selling
- * That could send it toward 100 DMA, currently at 150.37
- * Monday closing below 152.65 confirms bullish bias eroded
- * That would take USD/JPY out of Bollinger uptrend channel
- * Liquidity thin with Japan financial markets closed Mon

EURO



CLOSE
1.0834

1M %chg
-2.11%

3M %chg
0.40%

EUR/USD-A solid gain to start the week as the USD slides
04 Nov 2024 07:19:17 AM

- * Trades +0.6%, as the USD fell 0.55% with the move occurring at the open
- * EUR consolidated after the early bounce, then gained into the European open
- * PMIs across Europe and investor confidence lead the Eurozone data risk
- * Charts - positive daily momentum studies, 21-day Bollinger bands contract
- * 5, 10 & 21-day moving averages coil, signals display a neutral setup
- * A close above 1.0869 21 DMA targets a test of 1.0934 0.382% Sep/Oct fall
- * 1.0783, 78.6% of the Jun/Sep rise and 1.0777 August low are a strong base
- * 1.0850 477 mln, and 1.0900 1.170 BLN are the large close Nov 4th strikes

Forex Market

POUND STERLING



CLOSE
1.2926

1M %chg
-2.70%

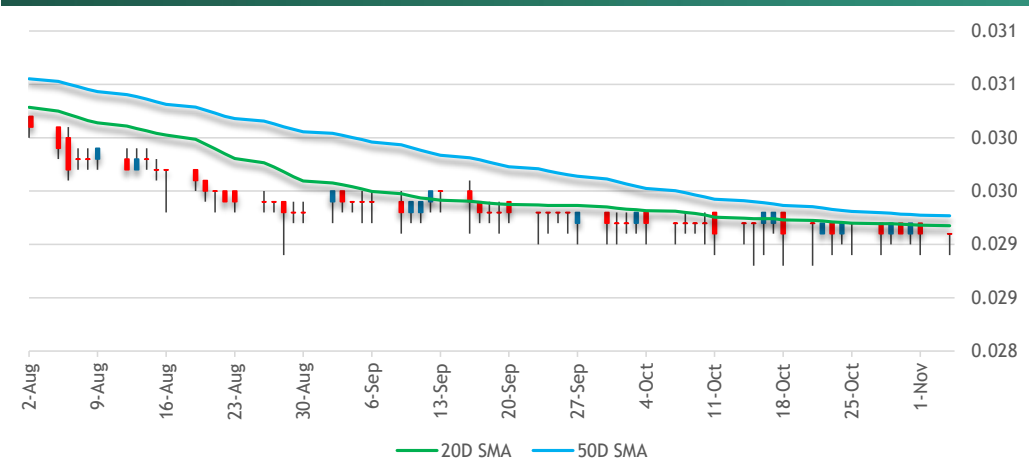
3M %chg
1.47%

COMMENT - Sterling regains swagger after softer than expected US payroll data

01 Nov 2024 06:10:45 PM

GBP/USD regained its footing after a whippy few days which saw the pound fall from high of 1.3043 to Thursday's low at 1.2845, the bid aided by rising gilt yields and today's soft payrolls release which may prod cable to re-test recent highs as we head into U.S. elections on November 5. Thursday's GBP/USD slide, though short-lived, may provide a clue as to which way traders are leaning. The UK budget, with its softening economic overtones given higher taxes and spending cuts, was the primary catalyst for recent GBP weakness. The upcoming U.S. elections remain a wildcard, but UK rates and policy should support sterling near current levels. Though with the BoE slated to cut near 100bps by year-end 2025 a rise above the 2024 high by 1.3434 is likely not in the cards given current U.S.-UK rate expectations.

TURKISH LIRA



CLOSE
0.0291

1M %chg
-0.34%

3M %chg
-3.64%

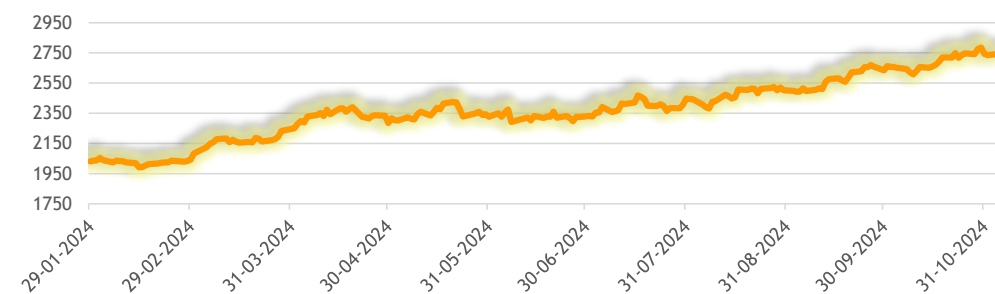
Turkish trade deficit edges up by 0.7% in September

31 Oct 2024 11:26:48 PM

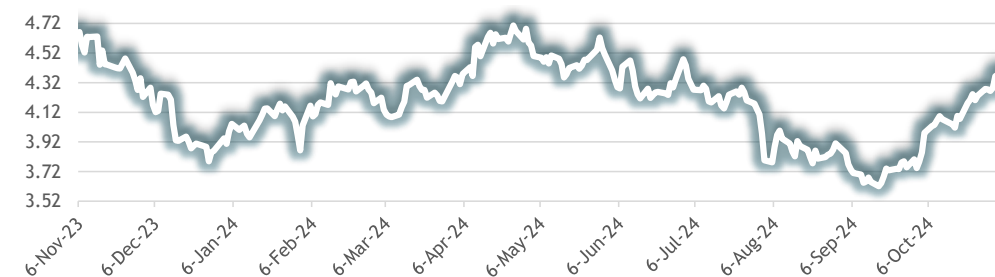
Oct 31 (Reuters) - Turkey's foreign trade deficit increased 0.7% year-on-year in September to \$5.13 billion, official data showed on Thursday. Exports decreased 1.9% year-on-year to \$21.99 billion and imports fell 1.4% to \$27.12 billion, data from the Turkish Statistical Institute showed. In January-September, the foreign trade deficit narrowed 31.1% to \$60.43 billion, the data showed. According to the official data, China was the biggest source of imports, amounting to \$3.74 billion in July, while imports from Russia reached \$3.30 billion. In September, Turkey's top export destination country became Germany, with exports amounting to \$1.68 billion.

Gold, US Treasury & Dollar Index

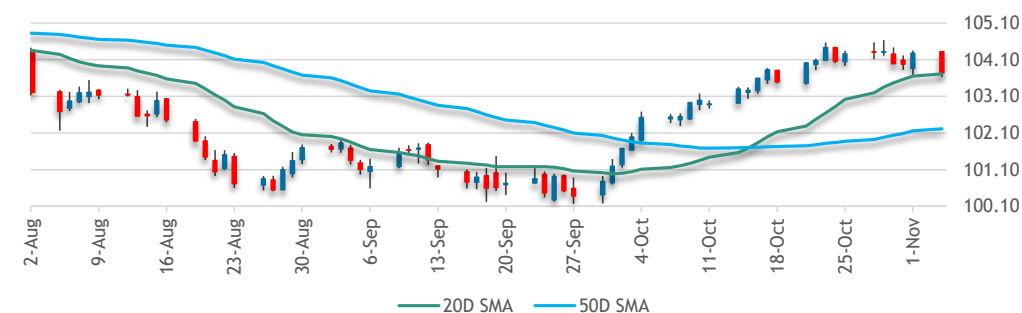
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.39

1M %chg

16.56%

3M %chg

9.68%

PRECIOUS-Gold steady as markets brace for US election, likely Fed rate cut

04 Nov 2024 07:08:43 AM

Nov 4 (Reuters) - Gold held steady on Monday as investors prepared for a key week for the global economy ahead of the U.S. presidential election and the likelihood of another rate cut by the Federal Reserve. Spot gold XAU= edged up by 0.1% to \$2,738.32 per ounce. Bullion hit a record high of \$2,790.15 on Thursday. U.S. gold futures GCv1 were flat at \$2,747.80. Uncertainty this week could benefit gold, as delays in the election outcome or a split control of the House and Senate might drive safe-haven flows, pushing gold prices higher, said Tim Waterer, chief market analyst at KCM Trade. Gold is considered a safe investment during times of economic and geopolitical turmoil and it thrives in a low interest rate environment. Among other metals, spot silver XAG= rose 0.3% to \$32.51 per ounce. It hit a more than 2-week low earlier in the session. Platinum XPD= edged up 0.3% to \$994.85 and palladium XPT= climbed 0.8% to \$1,106.75.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Monetary Base YY*	JP	04-Nov 05:20	Oct	0.10	
HCOB Mfg Final PMI	EU	04-Nov 14:30	Oct	45.9	45.9
Sentix Index*	EU	04-Nov 15:00	Nov	-13.8	-12.5
Reuters Tankan N-Man Idx	JP	05-Nov 04:30	Nov	20	
Reuters Tankan Man'f Idx	JP	05-Nov 04:30	Nov	7	
BRC Retail Sales YY	GB	05-Nov 05:31	Oct	1.7	
S&P GLOBAL PMI: COMPOSITE - OUTP	GB	05-Nov 15:00	Oct	51.7	51.7
S&P GLOBAL SERVICE PMI	GB	05-Nov 15:00	Oct	51.8	51.8
Reserve Assets Total*	GB	05-Nov 15:00	Oct	194097.58	
Redbook YY *	US	05-Nov 19:25	w/e	5.6	
Overtime Pay*	JP	06-Nov 05:00	Sep	2.6	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0882	1.0905	1.0831	1.0834	-0.45%
GBP	1.2899	1.298	1.2881	1.2926	0.22%
JPY	152.03	153.09	151.77	152.98	0.62%
TRY	0.0292	0.0292	0.0289	0.0291	-0.34%
Dollar Idx	103.862	104.349	103.679	104.282	0.29%
Brent	74.11	74.94	72.89	73.1	-0.08%
WTC	71.42	71.61	69.69	69.81	0.33%
Gold	2742.05	2761.99	2732.9961	2735.155	-0.32%
KWSE Index	7162.83	7179.49	7127.6	7131.52	-0.37%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	3M	3.94
SW	3.44	6M	4.13
1M	3.69	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30630

0.28%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	19-Sep-'24	3.63	3.88	-0.25
1W Repo Rate	19-Sep-'24	3.88	4.13	-0.25
1M Repo Rate	19-Sep-'24	4.13	4.38	-0.25
KWD ON Rate	19-Sep-'24	10.00	10.00	0.00
Discount Rate	19-Sep-'24	4.00	4.25	-0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	--	3M	--
SW	--	6M	--
1M	--	1Y	--
2M	--		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	18-Sep-'24	5.00	4.50	0.50
ECB Refinancing Rate	17-Oct-'24	3.40	3.65	-0.25
BOE Bank Rate	19-Sep-'24	5.00	5.00	0.00
BOJ Prime Rate	10-Oct-'24	1.75	1.70	0.05
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50



KEY INTERNATIONAL STORIES

US labor market staggers after blow from hurricanes, strikes

WASHINGTON, Nov 1 (Reuters) - U.S. job growth almost stalled in October as strikes in the aerospace industry depressed manufacturing employment while hurricanes shortened the collection period for payrolls, making it hard to get a clear picture of the labor market ahead of next week's presidential election. The labor market is cooling, with employment gains for August and September revised down by 112,000 jobs. While the unemployment rate held steady at 4.1% in October, that was because more people left the labor force. The response rate for the establishment survey in October, from which payrolls are calculated, dropped to 47.4%.

UK factory activity shrinks slightly for first time since April, PMI shows

LONDON, Nov 1 (Reuters) - British factory activity contracted very slightly last month for the first time since April, pushed lower by fewer new orders and a broader lack of optimism in the run-up to the Labour government's first budget, a major survey showed. The S&P Global UK Manufacturing Purchasing Managers' Index sank to 49.9 in October from 51.5 in September, below an initial estimate of 50.3 and just below the 50 level which divides growth from contraction in the survey. The manufacturing PMI showed that overall output edged up, though by the weakest margin since April, while new orders fell at the sharpest pace since then too.

Russia's central bank seen poised for another 100 bps rate hike in December

MOSCOW, Nov 1 (Reuters) - Russian inflation will hit 8.1% at the end of the year, above the current government's forecast, while the central bank is set to hike its key rate by another 100 basis points in December, a median Reuters poll of 14 analysts showed. The government expects inflation at 7.3% for this year, while the central bank has revised its forecast upwards to 8.0%-8.5% from 6.5%-7.0% during its latest meeting, where it raised the key rate to 21%, the highest level since 2003. Analysts said that the weakening of the rouble, which has been approaching the 100 mark against the U.S. dollar, will continue, albeit in a moderate manner.

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China new home prices grow slightly faster in Oct, private survey shows

BEIJING, Nov 1 (Reuters) - Prices of new homes in China rose at a faster pace in October, traditionally a peak season for house hunting, a private survey showed, suggesting that recent support measures could be having some early impact in a crisis-hit market. The average price across 100 cities edged up 0.29%, compared with the previous month's 0.14%, according to data released by property researcher China Index Academy. On a year-on-year basis, the average price rose 2.08% versus 1.85% growth in September. Property market, once accounting for roughly a quarter of economic activity, is grappling with a prolonged downturn since 2021.

Brazil's industrial output rises more than expected in September

SAO PAULO, Nov 1 (Reuters) - Brazilian industrial production grew by more than expected in September, in another sign of economic strength which is likely to bolster bets on an acceleration in monetary tightening by the central bank at its meeting next week. Industrial output rose by 1.1% in September from August, government statistics agency IBGE said on Friday, above the median estimate of a 0.9% increase in a Reuters poll. Production in September grew 3.4% from a year earlier, above the 2.8% increase expected by economists. IBGE said the most important positive influences in the period came from the oil and biofuels sector, with a 4.3% rise, and food products, up 2.3% on a monthly basis.

Oil gains more than \$1 after OPEC+ delays output hike

BEIJING/SINGAPORE, Nov 4 (Reuters) - Oil prices extended gains on Monday, rising more than \$1 on a decision by OPEC+ to delay by a month plans to increase output, while the market braced for a week that spans a U.S. presidential election and a key meeting in China. Brent futures rose by \$1.18 per barrel, or 1.61%, to stand at \$74.28 a barrel. U.S. West Texas Intermediate (WTI) crude CLc1 rose by \$1.21 a barrel, or 1.74%, to stand at \$70.70. Brent and WTI posted weekly declines last week of about 4% and 3%, respectively, as record U.S. output weighed on prices. But both contracts edged up on Friday on reports that Iran could launch a retaliatory strike on Israel within days.



Market data & Reuters News
is sourced from LSEG Eikon.